



UTAH ASSOCIATION  
OF COUNTIES  
INSURANCE MUTUAL

UAC INSURANCE MUTUAL  
MINUTES, BOARD OF DIRECTORS  
EXECUTIVE SESSION

September 29, 1994  
UAC Offices, Salt Lake City

- Members Present:** Gary Herbert, *President*, Utah County Commissioner  
Gerald Hess, *Vice President*, Davis County Deputy Attorney  
Dennis Ewing, *Comptroller*, Tooele County Clerk  
Ken Brown, Rich County Commissioner  
Max Adams, Uintah County Commissioner (per telephonic conference call)
- Members Absent:** Dixie Thompson, *Secretary*, Emery County Commissioner  
Sid Groll, Cache County Sheriff  
Ty Lewis, San Juan County Commissioner  
Gary Sullivan, Beaver County Commissioner
- Others Present:** Kent Sundberg, Utah County Deputy Attorney  
Brent Gardner, UACIM Administrator  
David Nelson, UACIM Loss Prevention Manager  
Sonya White, UACIM Administrative Assistant  
Doug Alexander, AIMS Branch Manager  
Jess Hurtado, UACIM Broker  
Keri Chappell, UACIM Broker

Executive session was held to discuss the Litigation Committee and Claims Report.



# Agenda

## UACIM BOARD OF DIRECTORS MEETING

*September 29, 1994, 10:00-2:00*

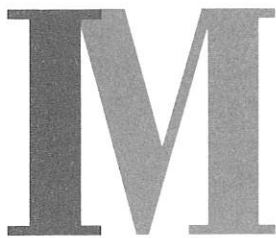
*Utah Association of Counties Offices  
Salt Lake City*

### AGENDA TOPICS

10:00 AM	Call To Order	Gary Herbert
	Review of Board Member's Absent	Gary Herbert
	Review and Approval of August 25, 1994, Minutes	Gary Herbert
Section 1	Loss Summary & Financial Statements Review, Review of Loss Summary Spreadsheets	Brent Gardner
Section 2	1995 Budget	Brent Gardner
	1995 Premium Contributions	Brent Gardner, Jess Hurtado
12:00 PM	LUNCH	
Section 3	November Membership Meeting Agenda	Brent Gardner
	Litigation Committee & Claims Report	Kent Sundberg, Doug Alexander
	County Response to Policy on Special Districts	Brent Gardner, Keri Chappell
	Loss Prevention Audit Update and Report	Brent Gardner, David Nelson
Section 4	Insurance Department Examination	Brent Gardner
Section 5	Coopers & Lybrand Actuarial Proposal	Brent Gardner
Section 6	Other Business	Gary Herbert
2:00 PM	Adjourn	Gary Herbert

**Notes:**





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Gary Herbert called the meeting to order at 10:30 a.m.

**Review of Board Members Absent**

Those Board members present, reviewed the reasons for absenteeism of the majority of the Board. With a telephonic conference call to Max, Dennis made a motion to excuse those Board members absent. Ken seconded the motion and the motion carried.

**Review and Approval of August Minutes**

With a telephonic conference call to Max, Dennis made a motion to approve the August 25, 1994, minutes as written. Ken seconded the motion and the motion carried. Due to Harry's absence at this meeting, his report on the *Pollutant Exclusion* will be postponed until the next meeting.

**Loss Summary and Financial Statements Review**

Brent extensively reviewed with the Board the financial statements for the month ending August 1994. The Loss Summaries and Loss Summary spreadsheets were given to the Board for review. With a telephonic conference call to Max, Ken made a motion to accept the financial statements as presented. Gerald seconded the motion and the motion carried.



### **Insurance Department Examination**

The Board reviewed the examination report from Roger Walters dated September 25, 1994. Roger was asked to join the Board as they voiced their questions and concerns while reviewing his *Summary and Comments* of the examination.

1. Brent will work with Al Stein to address this issue.
2. Roger will accept an adopted Board policy on this issue.
3. Roger will accept an adopted Board policy on this issue.
4. Roger will reference the April 1994 Application for Amended Certificate of Authority on this issue.
5. Roger will add to this comment that management feels there is not enough data to make a study.
6. Roger will accept an adopted Board policy on this issue.
7. Roger will revise his comment to include: ...is penetrated on incurred bases.
8. Roger will correct his comment of *very high ratio of fixed costs*, since he has nothing to measure very high ratio.
9. The bond application will be completed.

UACIM has 20 days to respond in writing or by meeting to the Insurance Department on this *draft* examination report. After the 20 days, the report becomes a public document.

Roger noted the kindness and helpfulness of the UACIM staff. Gary thanked Roger and expressed the Board's appreciation for his time today. Roger gave Gary a summary of clarifications that he felt was needed.

Brent made the Board aware of the statement UACIM received from the Insurance Department for this examination which will total over \$10,000. Gerald suggested that in UACIM's response to the examination, the inordinate amount of time spent by the examiner and the expense of the examination to UACIM be noted.

### **Litigation Committee & Claims Report**

With a telephonic conference call to Max, Dennis made a motion for the Board to go into executive session to discuss the Litigation and Claims Report. Max seconded the motion and the motion carried.

Dennis made a motion for the Board to go out of executive session. Ken seconded the motion and the motion carried.

Dennis made a motion to authorize settlement of \$17,700.00 on claim number 801CAC947021. Gerald seconded the motion and the motion carried.

Ken made a motion to authorize settlement of all claims up to \$200,000.00 on claim number 801IRO937010. Dennis seconded the motion and the motion carried.

Jess will follow-up with the underwriters regarding coverage for the counties weed spraying operations and report to the Board at the next meeting. Jess will respond to Commissioner Gallian's letter in this regard.

### **1995 Budget**

Brent reviewed the proposed 1995 Administrative Budget with the Board. The budget is basically the same as last year except for an increase in office rent. The budget does include a full time administrator and that person's expenses, which Brent recommended to the Board at the meeting in August. The Board reviewed a prepared job description of an administrator. If an administrator is hired, Brent's role may become supervisor, over this administrator, in keeping UACIM's cohesiveness with the Utah Association of Counties. The administrator would report to Brent and the UACIM Board. The Board had mixed concerns regarding the hiring of an administrator, therefore, the Board agreed to review the proposed 1995 Administrative Budget and UACIM Administrator job description in order to be prepared to make a final decision at the next meeting.

### **1995 Premium Contributions**

Jess and Keri gave to the Board a hand-out showing loss ratio per county. The Board agreed that the Rating Committee that was set-up to review the loss history of UACIM in order to establish a premium rating formula may not have had the background with UACIM along with the loss history needed to complete this task. Therefore, the Board will determine the premium contributions for 1995 based on the loss data. Without a quorum present, the Board agreed to set the premium contributions at the next meeting to be presented to the membership at the annual meeting in November.





### **November Membership Meeting Agenda**

Brent reviewed the tentative agenda for the membership meeting. The Board had no other additions to the agenda at this time. Gary and Brent will work on the nominating process for those Board of Directors up for re-election and nominations for Dixie's unfilled term.

### **County Response to Policy on Special Districts**

Brent and Keri are continuing to work on this mailing to the member counties. The letters are prepared but the special district listings are not quite ready to be sent. They will be sent before the next meeting. The Board agreed that discussion with the membership on Special Districts at the annual meeting will be beneficial.

### **Loss Prevention Report**

David reviewed his report that was sent out to the Board in advance of this meeting, pursuant to the Board's request. Upon David's visit to Emery County, the county is implementing employee accountability in their personnel policy. Gerald suggested that David should address the use of alcoholic beverages at county sponsored events and in county facilities at the membership meeting. The Board agreed to review David's list of mandated requirements in order to make a decision at the next meeting.

David and Sonya are continuing to work on the frequency, severity and loss ratio line graphs for each county. Aon will be sending David quarterly reports. These charts and reports will be presented to the counties at the membership meeting.

Sonya reported that Rick Bailey, San Juan County Insurance Coordinator, had given her the idea of an Accident Reporting Kit for each member county vehicle. The kit will include steps for a driver to take if an accident occurs, a driver's accident report form and witness cards. The proposed printing price for 2500 kits is \$720.00. A Board decision will be made at the next meeting.

### **Coopers & Lybrand Actuarial Proposal**

The Board reviewed the proposal for the annual actuarial review. The cost is the same as last year except with a 2% increase for inflation. The Board agreed to accept Coopers & Lybrand's proposal.

### **Other Business**

With a telephonic conference call to Max, Keri discussed the request of the Uintah Recreation Association for the UACIM to provide property insurance to them. Max explained that this Association is an entity formed by Uintah County, Naples City, Vernal City and the School District. Uintah County administers this Association, the employees are on the Uintah County payroll and Uintah County has the majority of control over the money. The UACIM covers the Association for liability as established through an inter-local agreement which says that all real property and property that is transferred for the use of this Association will remain in the ownership of the entity and in case the Association is dissolved that property goes back to that entity. Max felt strongly that the UACIM should not insure properties that are owned by other entities, that the entity that owns the property should maintain their own insurance. Max has told the Association that he is opposed to property coverage by the UACIM. Max has no problem with the UACIM Brokers explaining to the Association that the UACIM can not provide property coverage to them.

Jess noted to the Board that he may have a conflict of interest with pending claim 801UTA947022 and may be excused any time this claim is reviewed.

Gary reviewed a sponsorship letter from UAC for the Annual Convention. Last year, UACIM donated gifts for the drawing at the closing dinner. The Board agreed this is good public relations for UACIM and the Board will make a decision at the next meeting. The Board would like those counties who have not had any claims recognized at the UAC Annual Convention Closing Dinner with a plaque or gift.

The next Board meeting is scheduled for October 21, 1994, at 10:00 a.m. in the UAC Offices in Salt Lake City.

